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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/593,554	06/14/2000	STUART A. FRASER	CF/006	7904

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EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 08/24/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/593,554	Applicant(s) FRASER ET AL.	
	Examiner Narayanswamy Subramanian	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 31 May 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 16, 25, 26, 57, 59, 60, 67, 69, 70, 83, 85, 86 and 91-120 is/are pending in the application.
- 4a) Of the above claim(s) See Continuation Sheet is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 16, 57, 67, 83, 91, 94, 97, 98, 102-105, 109-112, 116 and 117 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

Continuation of Disposition of Claims: Claims withdrawn from consideration are 25,26,59,60,69,70,85,86,92,93,95,96,99-101,106-108,113-115 and 118-120.

DETAILED ACTION

1. This office action is in response to applicants' request for continued examination filed on May 31, 2006. Addition of new claims 97-120 has been entered. Claims 16, 25, 26, 57, 59, 60, 67, 69, 70, 83, 85, 86 and 91-120 are pending in the application. Applicant's election of claims 16, 57, 67, 83, 91 and 94 in response to species/election is acknowledged by the examiner. Claims 25, 26, 59, 60, 69, 70, 85, 86, 92, 93, 95, 96, 99-101, 106-108, 113-115 and 118-120 are withdrawn from consideration as being drawn to non-elected species. Claims 16, 57, 67, 83, 91, 94, 97, 98, 102-105, 109-112, 116 and 117 have been examined. The rejections and response to arguments are stated below.

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

3. Claims 16, 57, 67, 83, 91, 94, 97, 98, 102-105, 109-112, 116 and 117 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 16, 57, 97 and 104 recite the conditional limitation "if the trader qualifies for the incentive". The scope of the claim is not clear when the trader does not qualify for the incentive. Appropriate correction/clarification is required. Claims 91, 98, 102-103, 105, 109-110 are rejected by way of dependency on a rejected independent claim.

Claims 67, 83, 111 and 116 recite the limitations "determining whether the trader qualifies for an incentive for making a market ...; for a period of time, providing the trader an exclusive trading opportunity as an incentive for making the market". It is not clear as to what is

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the relationship between the determining step and the step of providing the trader an exclusive trading opportunity. Is the step of providing the trader an exclusive trading opportunity performed regardless of the outcome of the determining step or is it based on some outcome of the determining step? Hence the scope these claims are indeterminate. Claims 94, 98, 102-103, 105, 109-110, 112 and 117 are rejected by way of dependency on a rejected independent claim. Appropriate correction/clarification is required.

Also the limitation “an exclusive trading opportunity related to a trade that occurs in response to the trade command” in claims 16, 57, 91, 97, 98, 102-105, 109 and 110, is not clear. Appropriate correction/clarification is required.

The art rejections are made in light of 35 USC 112, second paragraph rejections above.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 16, 57, 67, 83, 91, 94, 97, 98, 102-105, 109-112, 116 and 117 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

Claims 16, 57, 67, 83, 91, 94, 97, 98, 102-105, 109-112, 116 and 117 are rejected under 35 U.S.C. § 101 for failing to produce useful, concrete and tangible result. Claims 16, 57, 67, 83, 91, 94, 97, 98, 102-105, 109-112, 116 and 117 recite the steps of providing the trader with an exclusive trading opportunity that doesn't ensure anything real world, so it lacks tangibility. The

steps of providing an exclusive trading opportunity do not require a response. Arguably this is not useful, as merely providing an exclusive trading opportunity doesn't yield anything specific and substantial.

The Court of Appeals for the Federal Circuit issued opinions in *State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998) and *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447 (Fed. Cir. 1999). These decisions explained that, to be eligible for patent protection, the claimed invention as a whole must accomplish a practical application. That is, it must produce a “useful, concrete and tangible result.” *State Street*, 149 F.3d at 1373-74, 47 USPQ2d at 1601 02. To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways: (a) The claimed invention “transforms” an article or physical object to a different state or thing. (b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

The USPTO’s official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. See MPEP § 2107.

The tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101 judicial exception to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had “no substantial practical application”).

For an invention to produce a “concrete” result, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. In re Swartz, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result

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produced by the claimed invention is “irreproducible” claim should be rejected under section 101). The opposite of “concrete” is unrepeatable or unpredictable.

There is no useful, concrete and tangible result produced from implementing the steps of the claimed invention. The dependent claims are rejected for the same reason and by way of dependency on a rejected independent claim.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 16, 57, 67, 83, 91, 94, 97, 98, 102-105, 109-112, 116 and 117 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gary et al (US Patent 6,618,707) in view of Chang et al (Electronic Business System Reference in IDS).

Claims 16, 57, 67, 83, 97, 104, 111 and 116, Gary teaches methods and systems respectively for electronic trading, the method comprising: receiving bid or offer orders from a trader (See Gary Claim 1); receiving a trade command to hit or take at least one of the orders (See Gary Claim 1); determining whether the trader qualifies for an incentive for making a market associated with the orders received based upon a volume of the orders received from the trader (See Gary Column 4 line 66- Column 5 line 3 and Claim 1); and providing the trader with an exclusive opportunity in trading if the trader qualifies for the incentive (See Gary Column 4 line 66- Column 5 line 3 and Claim 3).

Gary does not explicitly teach the step of for a period of time, providing the trader with an exclusive trading opportunity.

Chang teaches the step of for a period of time, providing the trader with an exclusive trading opportunity (See Chang Page 6 section 1.3.1).

Both Gary and Chang are concerned with providing incentives to the user so as to increase the volume of trade. It would have been obvious to one of ordinary skill in the art to include the teachings of Chang to the invention of Gary. The combination would have benefited the system facilitating the sale by increasing the trading volume.

Claims 91 and 94, Gary teaches a network server to communicate with a plurality of workstations and to receive bids and offers for at least one item from at least one of the plurality of workstations, and wherein at least one of a group consisting of at least one of the plurality of workstations and 2) the network server, is adapted for performing the above method (See also Gary Figure 1 Column 7 line 35 - Column 9 line 45).

Claims 98, 105, 112 and 117, Gary teaches the step of determining whether the trader qualifies for an incentive is based upon a size of the orders received from the trader (See Gary Column 16 lines 32-42).

Claims 102-103 and 109-110 Gary teaches the steps of determining how to provide the incentive to the trader and another incentive to another trader when both the incentive and the other incentive are due concurrently (See Gary Column 16 lines 24-28); and enabling the trader to determine incentives that have been earned by the trader in substantially real time as the incentives are earned (See Gary Column 2 lines 25-27).

Response to Arguments

8. Applicant's arguments with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sub Sough can be reached at (571) 272-6799. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Dr. N. Subramanian
August 17, 2006